FILE COPY

FILED
MAR 1 1950
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1949.

No. 607

HENRY E. JACOBS, doing business as
HENRY E. JACOBS & CO.,
Petitioner,

vs.

CHARLES PECKAT MANUFACTURING COMPANY
and EMMA PECKAT,
Respondents.

REPLY OF RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

BERNARD A. SCHROEDER,
JULES L. BRADY,
Counsel for Respondents.

SCHROEDER, MERRIAM, HOFGREN & BRADY
2200 Opera Building
20 No. Wacker Drive
Chicago 6, Illinois
Of Counsel

The Scheffer Press, Inc.—Financial 6-2694

INDEX

	PAGE
Introduction	1
Supplemental Statement of the Matter Involved	2
Other Manufacturers of Sun Visors	3
The Peckat Patent	4
The Claims	5
Petitioner's Appendix	7
Conclusion	9

Table of Cases.

Faulkner v. Gibbs, 83 U.S.P.Q. 192	9
Graver Tank & Mfg. Co. v. Linde Air Products Co., 336 U. S. 271	2, 7, 9
Halliburton v. Walker, 329 U. S. 1	9
Klein v. Russell, 19 Wall. 433, 466	6
Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U. S. 502, 510	6
Pangborn Corporation v. W. W. Sly Mfg. Co., 284 F. 217	8
Radio Corporation v. Radio Laboratories, 293 U. S. 1, 7	8
Seymour v. Osburne, 11 Wall, 516, 547	7
Westinghouse v. Boyden Power Brake Co., 170 U. S. 537, 538	7

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1949.

No. 607

HENRY E. JACOBS, doing business as HENRY E. JACOBS & CO.,

Petitioner,

vs.

CHARLES PECKAT MANUFACTURING COMPANY and EMMA PECKAT,

Respondents.

REPLY OF RESPONDENTS IN OPPOSITION TO PETTTION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

INTRODUCTION.

The petition for a Writ of Certiorari is based primarily on the false premise that the Court of Appeals held that the claims would read on the prior art unless limited by reading in something from the specification. Actually, the Court of Appeals said (Rec. 285),

> "Considering all the prior art produced by defendant, as we have seen, none of it anticipates or teaches what Peckat presented."

The petitioner has charged that "the Court of Appeals did not render a judgment on the main issue involved." The only issue was validity, and the Court of Appeals certainly held the claims to be valid. It is significant that the

petitioner failed to ask for a rehearing in the Court of Appeals.

Petitioner also charges that the Court of Appeals ignored this Court's reversal in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271. Actually, the Court of Appeals did not ignore the decision, but cited it on the question of Findings of Fact. (Rec. 283).

Petitioner did not deny that Peckat made an invention in accordance with any of the standards laid down by this Court. It did not deny infringement, because it made a slavish copy of the patented Peckat bracket. Petitioner apparently is asking this Court to reverse the Court of Appeals and hold that the claims are invalid over the prior art.

SUPPLEMENTAL STATEMENT OF THE MATTER INVOLVED.

Peckat made his invention, applied for a patent June 29, 1939, and it issued November 21, 1939 (Rec. 173). He began the manufacture of the device in his garage in 1939, and gradually built up a comparatively small but new business based on his novel patented brackets. The business of course was interrupted by the war, but was resumed as soon as the war ended.

In August, 1946, the vice-president of R. S. B. Manufacturing Company, Inc., came unsolicited, and called on the Charles Peckat Company at Maywood, Illinois, asking for a license to make and sell the patented devices in the State of California (Rec. 26).

After some brief negotiations, construction of the dies for the manufacture of the R. S. B. device was started, and a license was granted October 2, 1946, upon advance payment of the agreed minimum royalties for three months. While R. S. B. was getting started, it was per-

mitted to sell visors manufactured by Peckat. It used Peckat's advertising material before and after it began making the copied device (Rec. 108). When no further royalties were ever tendered, Peckat cancelled the license. However, R. S. B. continued manufacturing the identical devices and sold them in Chicago through its outlet, Henry E. Jacobs & Co.

OTHER MANUFACTURERS OF SUN VISORS.

Sunshades for automobiles are quite old, and there are many expired patents showing structures that can be made by anyone without danger of infringement. The gist of Peckat's invention is a novel clamping member for attaching the visor to the tiny gutters of a car without drilling holes or otherwise damaging the structure or appearance of any part of the automobile.

The Fulton Company of Milwaukee, Wisconsin, now one of the largest manufacturers and sellers of sun visors, has old and established outlets and distribution channels throughout the entire country. Fulton did not go into the manufacture of sun visors until December, 1946, but sold about 290,000 prior to the trial of this case (Rec. 86). Mr. Fulton, President of the company, testified that before going into the visor business he investigated the patent situation, was advised by his attorneys that the Peckat patent was a good one (Rec. 91), and he negotiated with the Peckat Company for an exclusive license.

Fulton was desirous of taking over the entire manufacture and sale of the Peckat device (Rec. 88). In view of the fact that the Peckat company was not willing to sell its new growing business and grant an *exclusive* license to the Fulton Company, that company developed and sells its own sunshade which has a non-infringing bracket attached by screws to the inner side of the door frame.

There was a well known demand for visors, because the old style type that attached to the exposed windshield posts of an open car had been sold in very large quantities. B. J. Grigsby's company had sold over a million dollars' worth between 1922 and 1924 (Rec. 83). Many other companies were in that early visor business, which ended when open touring cars and roadsters were no longer made, but the business remained practically dormant till Peckat made his invention.

None of these devices of the prior art, of course, infringe; and there are other brackets for attaching visors, that were developed after Peckat (such as the Fulton device which was brought out in 1946), which clearly avoid infringement.

The Peckat Patent.

Petitioners declare that the patent is a "freak" merely because the Patent Office found the original claims allowable and cited no prior art against them. As a result, the patent issued promptly in 1939.

Petitioner states repeatedly in its petition that the Court of Appeals held that the claims and language admittedly cover the prior art, and then limited the claims by incorporating the specific description from the specification. That this is not true is apparent from reading the entire opinion. Actually, the Court said "considering all the prior art produced by defendant, as we have seen, none of it anticipates or teaches what Peckat presented" (Rec. 285).

Petitioner, in both courts below, severely criticized the Patent Office, charging that the patent was issued without a thorough investigation being made by the Examiner. In its footnote on page 4 of the Petition, the petitioner states that "Petitioner's searches located 19 patents."

It is significant that petitioner did not find anything in the prior art that it used in its own construction, and that instead it traveled thousands of miles to seek out Peckat and obtain a license to make the structure of the Peckat patent. That the Patent Office was not derelict in not citing anything that petitioner found is best stated by the Court of Appeals (Rec. 285) as follows:

> "The finding that the patent office failed to perform its statutory duties is supported by no proof. In the absence of evidence to the contrary, it is presumed that an administrative body has performed its functions properly. Here there is no direct evidence of any dereliction upon the part of the patent office. But defendant argues that, inasmuch as no prior art was cited against Peckat, it follows that no search was made. This, we think, is a *non sequitor*, for, considering all the prior art produced by defendant, as we have seen, none of it anticipates or teaches what Peckat presented. Under such circumstances there is certainly no presumption that the patent office did not find it. Rather the presumption of regularity of the proceedings prevails."

The Claims.

Claims 1, 2, 6 and 7 are in suit. Each claim specifies apparatus "of the character described," each states that the purpose of the attaching members is to secure an awning in the desired position with respect to the windshield of an automobile having gutters adjacent said windshield, and that the attaching member is adapted to be clamped to the gutters on the side of the windshield. Claims 1 and 2 further specify that means is provided on the member for supporting the awning in the desired position.

Claims 6 and 7 specify that the edge portion of the body member is adapted to conform to one side of a por-

tion of one of the gutters and means is provided on the body member to engage the other side of the gutter to grip it between the edge portion and the last mentioned means. Claim 7 further specifies that the last mentioned means "is so constructed and arranged as to be driven into wedging engagement with the gutter." In the Court of Appeals, petitioner stated, on page 50 of its brief:

> "In any event the *total ambiguity* of the claims morally excused almost any kind of error made by the Commissioner of Patents, even if he is not excused legally." (Italics ours)

Now in this Court, on page 13, petitioner has reversed its position and says the reasons relied on for the issuance of the Writ are,

> "The court below in its zeal to find the Peckat patent valid, scrapped the principal issues between the parties: are the clear, unambiguous claims valid? • • • It applied the rule of liberal interpretation reserved for those claims which require construction of their uncertain language to the Peckat claims which do not have any ambiguity, obscurity or uncertainty."

R. S. B. understood the language of the claims when it sought out and obtained a license. In the District Court and the Court of Appeals Petitioner urged "the total ambiguity of claims 6 and 7." Now, for the first time, on pages 11, 13 and 24 of the petition to this Court, the claims are "clear, simple, unambiguous."

The Court of Appeals noted that in *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, 243 U. S. 502, 510, this Court said:

> "The scope of every patent is limited to the invention described in the claims contained in it, read in the light of the specification."

The Court of Appeals referred to *Klein* v. *Russell*, 19 Wall. 433, 466; *Westinghouse* v. *Boyden Power Brake Co.*, 170

U. S. 537, 538, and *Seymour* v. *Osborne,* 11 Wall. 516, 547. In the latter three cases decided by this Court, the claims, as in the present case, each expressly had words referring back to the specification. Under these circumstances this Court said, in *Seymour* v. *Osburne,* 11 Wall. 516, 547,

> "Omit the words 'substantially as described,' or 'substantially as set forth,' and the question presented would be a very different one, • • •. Where the claim immediately follows the description of the invention it may be construed in connection with the explanations contained in the specifications, and where it contains words referring back to the specifications, it cannot properly be construed in any other way."

Petitioner urges that these authorities have been overruled in *Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.,* 336 U. S. 271. Respondents submit that the latter case did not have claims calling for "apparatus of the character described," and that it is proper to read the claims in the light of the specification under the circumstances presented here.

Petitioner's Appendix.

Opposite page 28 of the Appendix to petitioner's brief it inserts a sketch purporting to illustratate "Peckat's broad concept" and the "Court of Appeals Concept." As this is new and clearly outside of the Record, no comment is necessary.

On page 31 it is stated,

> "c. The Court of Appeals depended strongly upon presumption of validity."

We find nothing in the decision of the Court of Appeals which so states. As we have mentioned above, the Court did answer the attack on the Patent Office by pointing out

that the prior art produced by defendant fails to anticipate or teach what Peckat presented, and under such circumstances there is no presumption that the Patent Office did not find it, but rather that the presumption of regularity of the proceedings prevails (Rec. 285).

On page 11, under No. 8, petitioner questions

> "8. Whether the burden of proof required of a former licensee in denying the validity of a patent is well-nigh insurmountable."

The Court of Appeals did not so hold. However, the Court did quote from what this Court said in *Radio Corporation* v. *Radio Laboratories,* 293 U. S. 1, 7:

> "Such imitation in itself is evidence of what the defendant thought of the value to be placed upon the patent."

It also agreed with what the Court of Appeals for the Fourth Circuit said in *Pangborn Corporation* v. *W. W. Sly Mfg. Co.,* 284 F. 217, and the Court of Appeals for the Second Circuit, saying (Rec. 281):

> "And in addition to this, is the presumption arising from the imitation of the patented article by the manufacturer of the alleged infringing device. As to this, we agree with what was said by Judge Hough, speaking for the Court of Appeals for the Second Circuit in *Kurtz* v. *Belle Hat Lining Co.,* 280 F. 277, 281: 'The imitation of a thing patented by a defendant who denies invention, has often been regarded, perhaps especially in this circuit, as conclusive evidence of what the defendant thinks of the patent, and persuasive of what the rest of the world ought to think.' So, here, the act of defendant in making an exact copy of the device patented by the plaintiff, his refusal to pay royalties although he had agreed so to do, must be regarded as well as conclusive evidence of what he thought of the patent and 'persuasive of what the rest of the world ought to think.' "

The Court of Appeals also referred specifically to *Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.*, 336 U. S. 271, so that petitioner's statement that the Court of Appeals followed its own decision in that case and ignored this Court's reversal of the same case is without foundation.

Petitioner has also urged that the claims are invalid in view of *Halliburton* v. *Walker*, 329 U. S. 1, because of the appearance of the word "means." In the present case, the Court of Appeals answered that contention (Rec. 278). In *Faulkner* v. *Gibbs*, 83 U. S. P. Q. 192, this Court recently pointed out that the *Halliburton* case did not mean that every claim containing the word "means" is invalid.

CONCLUSION.

The Petition is based primarily on the false premise that the Court of Appeals held that the claims would read on the prior art unless limited by reading in something from the specification. The Court of Appeals said (Rec. 285):

> "Considering all the prior art produced by defendant, as we have seen, none of it anticipates or teaches what Peckat presented."

It would make no difference to petitioner in this case, on the question of infringement, whether the claims are of broad or narrow scope, because its device is a slavish copy of the Peckat device and would infringe even the narrowest interpretation.

Because there is no new question of law or public interest involved, it is urged that the Petition for Writ of Certiorari be denied.

BERNARD A. SCHROEDER,
JULES L. BRADY,
Counsel for Respondents.

February 28, 1950.